

REPORT
SENATE
STATE OF LOUISIANA

JUNE 30, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **DEC 14 2011**

SENATE
STATE OF LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

October 25, 2011

Honorable Joel T. Chaisson, II
President of the Senate, State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the Senate, State of Louisiana, as of and for the year ended June 30, 2011, as listed in the index. These financial statements are the responsibility of the Senate, State of Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the Senate, State of Louisiana, are intended to present the financial position and results of operations of only that portion of the financial reporting entity of the State of Louisiana.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Senate, State of Louisiana, as of June 30, 2011 and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2011, on our consideration of the Senate, State of Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 4 and 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Senate, State of Louisiana's basic financial statements. The required supplementary information on page 23 is presented for additional analysis as required by the Governmental Accounting Standard Board (GASB) and is not a required part of the basic financial statements. The schedule on page 24 is presented for the purpose of additional analysis and is also not a required part of the financial statements of the Senate, State of Louisiana. The required supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such required supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The schedule on page 24 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Duplantier, Hrapmann, Hogan & Maher, LLP

SENATE
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011

This section of the Senate, State of Louisiana (Senate) annual financial report presents management's analysis of the Senate's financial performance for the year ended June 30, 2011. This analysis should be read in conjunction with the audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Senate's net assets decreased by \$1,192,115. This resulted primarily from an increase in expenditures relating to personnel services and capital outlay.

The general revenues of the Senate were \$18,883,060, which is a decrease of \$31,968.

The other financing sources of the Senate were \$208,449.

The total expenditures/expenses of the Senate were \$20,283,624, which is an increase of \$144,425.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of three sections: management's discussion and analysis, basic financial statements and required supplementary information. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements:

BASIC FINANCIAL STATEMENTS

The financial statements of the Senate report information about the Senate using accounting methods similar to those used by private companies. These financial statements provide financial information about the activities of the Senate.

The Governmental Fund Balance Sheet/Statement of Net Assets (page 5) presents the current and long-term portions of assets and liabilities separately.

The Statement of Governmental Fund Revenues, Expenditures and Changes in the Fund Balance/Statement of Activities (page 6) presents information on how the Senate's net assets changed as a result of current period operations.

The following presents condensed financial information of the Senate:

SENATE
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2011

SUMMARY STATEMENTS OF NET ASSETS

ASSETS:

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Current assets	\$ 5,902,834	\$ 6,963,699
Capital assets	<u>99,933</u>	<u>115,605</u>
Total assets	<u>6,002,767</u>	<u>7,079,304</u>

LIABILITIES:

Current liabilities	312,113	966,401
Long-term liabilities	<u>5,918,974</u>	<u>5,149,108</u>
Total liabilities	<u>6,231,087</u>	<u>6,115,509</u>
Invested in capital assets	99,933	115,605
Unrestricted	<u>(328,253)</u>	<u>848,190</u>
Total net assets	<u>\$ (228,320)</u>	<u>\$ 963,795</u>

SUMMARY STATEMENTS OF ACTIVITIES

	<u>For the Year Ended June 30, 2011</u>	<u>For the Year Ended June 30, 2010</u>
General revenues	\$ 18,883,060	\$ 18,915,028
Expenditures/expenses	<u>(20,283,624)</u>	<u>(20,139,199)</u>
Other financing sources	<u>208,449</u>	<u>269,828</u>
Change in net assets	<u>\$ (1,192,115)</u>	<u>\$ (954,343)</u>

BUDGET ANALYSIS

A comparison of budget to actual operations is a required supplementary schedule and is presented in the accompanying supplementary information. Although the Senate was under budget for travel, operating services, supplies and printing, the total expenditures were still over budget by \$94,421 due to personnel services, professional services, telephone and capital outlay expenditures exceeding the budget.

CONTACTING THE SENATE'S MANAGEMENT

This audit report is designed to provide a general overview of the Senate and to demonstrate the Senate's accountability for its finances. If you have any questions about this report or need additional information, please contact the Senate, State of Louisiana, P.O. Box 44305, Baton Rouge, Louisiana 70804.

SENATE
STATE OF LOUISIANA
GOVERNMENTAL FUND BALANCE SHEET/
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>General Fund</u>	<u>Adjustments*</u>	<u>Statement of Net Assets</u>
ASSETS:			
Cash in bank (Notes 1 and 4)	\$ 5,880,796	\$ -	\$ 5,880,796
Cash, restricted agency accounts (Notes 1 and 4)	8,598	-	8,598
Due from other legislative agencies	9,178	-	9,178
Accounts receivable	4,262	-	4,262
Capital assets (net of allowance for depreciation) (Note 5)	<u>-</u>	<u>99,933 (1)</u>	<u>99,933</u>
TOTAL ASSETS	<u>\$ 5,902,834</u>	<u>99,933</u>	<u>6,002,767</u>
LIABILITIES:			
Accounts payable	\$ 103,694	-	103,694
Accrued salaries and related benefits	199,821	-	199,821
Due to restricted agency accounts	8,598	-	8,598
Compensated absences (Note 1)			
Current portion	-	302,891 (2)	302,891
Noncurrent portion	-	1,211,566 (2)	1,211,566
OPEB payable (Note 3)	<u>-</u>	<u>4,404,517 (2)</u>	<u>4,404,517</u>
TOTAL LIABILITIES	<u>312,113</u>	<u>5,918,974</u>	<u>6,231,087</u>
FUND BALANCE/NET ASSETS:			
Unassigned	<u>5,590,721</u>	(5,590,721)	-
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 5,902,834</u>		
NET ASSETS:			
Invested in capital assets		99,933	99,933
Unrestricted (deficit)		<u>(328,253)</u>	<u>(328,253)</u>
TOTAL NET ASSETS (DEFICIT)		<u>\$ (228,320)</u>	<u>\$ (228,320)</u>

***Explanation**

- (1) Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the General Fund.
- (2) Long-term liabilities, such as compensated absences and other postemployment benefits, are not due and payable in the current period, and therefore, are not reported in the General Fund.

See accompanying notes.

SENATE
STATE OF LOUISIANA
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES
AND CHANGES IN THE FUND BALANCE/STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

	General Fund	Adjustments*	Statement of Activities
EXPENDITURES/EXPENSES:			
Personnel services	\$ 16,071,722	\$ 769,866 (1)	\$ 16,841,588
Travel	314,707	-	314,707
Operating services	2,532,276	-	2,532,276
Supplies	92,363	-	92,363
Professional services	105,048	-	105,048
Telephone	170,223	-	170,223
Printing	63,734	-	63,734
Capital outlay	148,013	(25,500) (2)	122,513
Depreciation (Note 5)	-	41,172 (2)	41,172
Total expenditures/expenses	<u>19,498,086</u>	<u>785,538</u>	<u>20,283,624</u>
GENERAL REVENUES:			
State appropriations	18,841,703	-	18,841,703
Interest	2,447	-	2,447
Other	38,910	-	38,910
Total general revenues	<u>18,883,060</u>	<u>-</u>	<u>18,883,060</u>
Excess of expenditures/expenses over revenues	(615,026)	-	-
OTHER FINANCING SOURCES (USES):			
Interagency transfers in (Note 9)	218,449	-	218,449
Interagency transfers out (Note 9)	(10,000)	-	(10,000)
Total other financing sources	<u>208,449</u>	<u>-</u>	<u>208,449</u>
Excess (deficiency) of revenues over expenditures/expenses and other financing sources	(406,577)	406,577	-
Change in net assets	-	(1,192,115)	(1,192,115)
Fund Balance/Net Assets (Deficit):			
Beginning of Year	5,997,298	(5,033,503)	963,795
End of Year	<u>\$ 5,590,721</u>	<u>\$ (5,819,041)</u>	<u>\$ (228,320)</u>

*Explanation

- (1) Expenses of long-term obligations for compensated absences and other postemployment benefits reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the General Fund.
- (2) Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

See accompanying notes.

SENATE
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NATURE OF OPERATIONS:

The Louisiana State Senate (the Senate) is a part of the legislative branch of government created under Article III of the 1974 Louisiana Constitution.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Government accounting principles and practices are promulgated and established by the Governmental Accounting Standards Board (GASB). The GASB has issued a *Codification of Government Accounting and Financial Reporting Standards*. This codification and subsequent GASB pronouncements are recognized as accounting principles generally accepted in the United States of America for state and local governments. The accompanying financial statements have been prepared in accordance with such pronouncements.

The following is a summary of the more significant accounting policies.

Financial Reporting Entity – Application of Section 2100 of the GASB Codification defines the governmental reporting entity (in relation to the Senate, State of Louisiana) to be the State of Louisiana. The accompanying financial statements of the Senate, State of Louisiana contain sub-account information of the General Fund of the State of Louisiana. Annually, the State of Louisiana issues financial statements, which include the activity contained in the accompanying financial statements. However, the activity may be presented or classified differently due to perspective differences. The Senate, State of Louisiana has no fiduciary funds or component units.

Fund Accounting – The Senate, State of Louisiana, uses fund accounting (separate set of self-balancing accounts) to reflect the sources and uses of available resources and the budgetary restrictions placed on those funds by the Louisiana Legislature. The General Fund is used to account for all of the Senate, State of Louisiana's activities, including the acquisition of capital assets and the servicing of long-term liabilities.

Basis of Accounting:

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Senate presents a Statement of Net Assets and Statement of Activities. These statements reflect entity-wide operations of the Senate. The Senate has only a General Fund, supported by an appropriation from the State of Louisiana and self-generated funds.

SENATE
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Accounting: (Continued)

Within the accompanying statements, the General Fund column of the Statement of Net Assets and the Statement of Activities reports all activities of the Senate, using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Management considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. However, as management considers it available regardless of when received, the legislative appropriation is recorded during the year, and for the year, the appropriation is made, and interest and other revenues are recorded when earned. Expenditures are recorded when a liability is incurred, as in accrual accounting. However, compensated absences and other postemployment benefits (OPEB) costs are recorded when payment is due.

The General Fund column is adjusted to create a Statement of Net Assets and Statement of Activities. Within this column, amounts are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Capital Assets:

The accompanying statement of net assets reflect furniture, fixtures and equipment used by the Senate, State of Louisiana, and funded by the legislative appropriation, in daily operations. Those assets are recorded at cost.

The accompanying statements do not include the value of land and buildings provided without cost to the Senate. Those assets are recorded with the annual financial statements of the State of Louisiana.

Budgetary Practices:

The Senate is required to submit to the members of the Legislative Budgetary Control Council an estimate of the financial requirements of the ensuing fiscal year. The General Fund appropriation is enacted into law by the Legislature and sent to the Governor for his signature. The Senate is authorized to transfer budget amounts between accounts in the General Fund. Revisions that alter total appropriations must be approved by the Legislature. The level of budgetary responsibility is by total appropriation. All annual appropriations lapse at fiscal year end, and require that any amounts not expended or encumbered at the close of the fiscal year be returned to the State General Fund unless otherwise reappropriated by subsequent Legislation action. Current appropriation legislation authorizes such reappropriation of prior year funds.

SENATE
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Budgetary Practices: (Continued)

The budget of the General Fund is prepared on the budgetary (legal) basis of accounting. In compliance with budgetary authorization, the Senate includes the prior year's fund balance represented by appropriate liquid assets remaining in the fund as a budgeted revenue in the succeeding year. The result of operations on a GAAP basis does not recognize the fund balance allocation as revenue as it represents prior period's excess of revenues over expenditures.

Encumbrance accounting is used during the year to reserve portions of the annual appropriation for unfilled purchase orders. Year-end encumbrances are not charged against the current year appropriation and are carried forward into the next budget year.

Leave Benefits:

Accumulated unpaid annual, sick and compensatory leave is reported in the Statement of Net Assets and Statement of Activities within the accompanying financial statements. The Senate, State of Louisiana's employees accrue unlimited amounts of annual and sick leave at varying rates as established by the Senate's personnel practices. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to employees at the employee's current rate of pay. Upon retirement, annual leave in excess of 300 hours and unused sick leave are credited as earned service in computing retirement benefits.

Furthermore, employees earn compensatory leave for hours worked in excess of 40 hours per work week. The compensatory leave may be used similarly to annual or sick leave. At June 30, 2011, annual leave of up to 300 hours, for which employees could be paid upon resignation or retirement, and compensatory leave, computed in accordance with the *Codification of Governmental Accounting and Financial Reporting Standards* Section C60.105, totaled \$1,514,457.

The following are the changes in compensated absences (long-term obligations) during the year:

<u>Balance</u> <u>July 1, 2010</u>	<u>Net</u> <u>Change</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>\$ 1,575,130</u>	<u>\$ (60,673)</u>	<u>\$ 1,514,457</u>

The additions and reductions to compensated absences during the 2010-2011 fiscal year represent the net change during the year because the additions and deductions could not be readily determined.

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STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Postemployment Benefits:

The Senate, State of Louisiana, provides certain health care and life insurance benefits for retired employees. Substantially all of the Senate's employees may become eligible for those benefits if they reach normal retirement age while working for the Senate. These benefits for retirees and similar benefits for active employees are provided through the State's Office of Group Benefits Plan and the LSU System Health Plan. Monthly premiums are paid jointly by the employee and the Senate. The Senate recognizes the cost of providing these benefits as expenditures in the year paid in the General Fund. For the year ended June 30, 2011, those costs totaled \$442,497, which covered 78 retired employees, funded through the legislative appropriation.

Agency Accounts:

Agency accounts are custodial in nature and are used to account for assets held by the Senate in an agency capacity and are reflected in the accompanying financial statements as an asset "Cash, restricted agency accounts" and a corresponding liability "Due to restricted agency accounts". Management has included the accounts in the financial statements to more accurately reflect the Senate's responsibilities. These funds are managed by Senate personnel, but are restricted to the use by the following commission:

Louisiana Advisory Commission on Intergovernmental Relations

This account was formed by an initial investment from the Louisiana Municipal Association of \$1,000 in February, 1990.

The activity in the restricted agency account for the year ended June 30, 2011 can be summarized as follows:

	Balance	Additions	Reductions	Balance
	<u>July 1, 2010</u>	<u>Interest</u>	<u>Transfer to</u>	<u>June 30, 2011</u>
		<u>Income</u>	<u>State Treasurer</u>	
Louisiana Advisory Commission of Intergovernmental Relations	\$ <u>8,598</u>	\$ <u>--</u>	\$ <u>--</u>	\$ <u>8,598</u>

SENATE
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fund Balance:

During the fiscal year ended June 30, 2011, the Senate implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance—amounts that are not in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance—amounts constrained for specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance—amounts constrained for specific purposes by the Senate itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the Senate takes the same highest level action to remove or change the constraint.
- Assigned fund balance—amounts the Senate intends to use for a specific purpose that are neither considered restricted nor committed. Intent can be expressed by the Senate or by an official or body to which the Senate delegates the authority.
- Unassigned fund balance—the residual amount of fund balance which does not fall into one of the other components. Positive amounts are reported only in the general fund.

Beginning fund balances for the Senate's governmental funds have been restated to reflect the above classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Senate considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Senate considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Senate has provided otherwise in its commitment or assignment actions. The Senate does not have a formal minimum fund balance policy.

SENATE
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Net Assets:

Net assets comprise the various net earnings from revenues and expenses. Net assets are classified in the following components:

- a) Invested in capital assets consists of the Senate's total investment in capital assets, net of accumulated depreciation.
- b) Unrestricted, consisting of resources derived from state appropriations, interest earnings and other miscellaneous sources. These resources are used for transactions relating to general operations of the Senate and may be used at its discretion to meet current expenses and for any purpose.

2. RETIREMENT SYSTEM:

Plan Description:

Substantially all employees and members of the Senate participate in the Louisiana State Employees' Retirement System (LASERS) or the Teachers' Retirement System of Louisiana (TRS), both of which are cost sharing, multiple-employer defined benefit pension plans administered by a separate Board of Trustees. The plans provide retirement, disability and survivor benefits to participating, eligible employees. Benefits are established and amended by state statute and guaranteed by the State of Louisiana under provisions of the Louisiana Constitution of 1974. LASERS and TRS issue publicly available financial reports that include financial statements and required supplementary information. The reports may be obtained by writing to Louisiana State Employees' Retirement System, P. O. Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0600, or by writing to Teachers' Retirement System of Louisiana, P. O. Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Funding Policy:

Plan members of the Senate are required by state statute to contribute 7½% or 8% (depending on their date of hire) of their annual covered salary to LASERS or 5.0%, 8.0% or 9.1% (depending on the plan) of their annual covered salary to TRS. The Senate (as their employer) is required to contribute at an actuarially determined rate. The current employer rate is 22% and 20.2% of annual covered payroll for LASERS and TRS, respectively. The contribution requirements of plan members and the employer are established and amended by state law. As

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

2. RETIREMENT SYSTEM: (Continued)

Funding Policy: (Continued)

required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The employer contribution is funded by the State of Louisiana through the annual legislative appropriation. The Senate's employer contributions to LASERS and TRS for the years ended June 30, 2011, 2010 and 2009, which were equal to the required contributions for each year, were as follows:

<u>June 30,</u>	<u>LASERS</u>	<u>TRS</u>	<u>Total</u>
2011	\$ 2,183,075	\$ 20,929	\$ 2,204,004
2010	1,824,019	16,344	1,840,363
2009	1,634,730	15,269	1,649,999

3. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS:

Substantially all Senate employees become eligible for postemployment health care and life insurance benefits if they reach normal retirement age while working for the Senate. The Senate offers its employees the opportunity to participate in one of two medical coverage plans. One offering is from the State Office of Group Benefits (OGB) which also offers a life insurance plan, and the other is with the LSU System Health Plan. Information about each of these two plans is presented below.

PLAN DESCRIPTIONS:

LSU System Health Plan:

The Senate is one of a limited number of state agencies that may participate in the LSU System Health Plan. The state agency participation is not material and, as such, the plan is identified as a single-employer defined benefit healthcare plan that is not administered as a trust or equivalent arrangement. The Health Plan offers eligible employees, retirees, and their beneficiaries the opportunity to participate in comprehensive health and preventive care coverage that gives members a unique, consumer-driven health-care approach to pay routine health expenses and provides coverage for major healthcare expenses. Within the Health Plan members have a choice of selecting Option 1 or Option 2. Option 1 is more costly, but features both lower yearly deductibles and out-of-network coinsurance requirements. Effective July 1, 2009, eligible retirees are provided \$20,000 in life insurance coverage for their lifetime at no cost to the retiree.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

3. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

PLAN DESCRIPTIONS: (Continued)

LSU System Health Plan: (Continued)

The LSU System Health Plan selects claim and pharmaceutical administrators to administer its program. Both claim and pharmacy administrators are selected through a formal Request for Proposals process followed by negotiations between the System and qualified vendors.

The Health Plan originally began as a pilot program within the State Office of Group Benefits (OGB), the office that provides health benefits to state employees. The Health Plan does not issue a publicly available financial report, but it is included in the LSU System's audited Financial Report. The Financial Report may be obtained from the LSU System's website at <http://www.lsusystem.lsu.edu/>.

State OGB Plan:

The Senate, State of Louisiana's employees may participate in the State of Louisiana's Other Postemployment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan that provides medical and life insurance to eligible active employees, retirees and their beneficiaries. The Office of Group Benefits administers the plan. LRS 42:801-883 assigns the authority to establish and amend benefit provisions of the plan. The Office of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in the State of Louisiana's Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

FUNDING POLICIES:

LSU System Health Plan:

While actuarially determined, the plan rates must be approved by OGB under LRS 42:851.B. Plan rates are in effect for one year and members have the opportunity to switch providers during the open enrollment period which usually occurs in April.

The plan is financed on a pay as you go basis. The pay-as-you-go expense is the net expected cost of providing retiree benefits. This expense includes all expected claims and related expenses and is offset by retiree contributions.

SENATE
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

3. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

FUNDING POLICIES

LSU System Health Plan: (Continued)

Depending upon the Option selected, during the year ended June 30, 2011, employee premiums for a single member receiving benefits range from \$67 to \$77 per month for retiree-only coverage with Medicare or from \$115 to \$133 per month for retiree-only coverage without Medicare. The premiums for the year ended June 30, 2011 for a retiree and spouse range from \$117 to \$268 per month for those with Medicare or from \$296 to \$404 per month for those without Medicare.

The Senate, State of Louisiana contributed anywhere from \$201 to \$232 per month for retiree-only coverage with Medicare or from \$809 to \$878 per month for retiree-only coverage without Medicare during the year ended June 30, 2011. Also, the Senate's contributions ranged from \$351 to \$803 per month for retiree and spouse with Medicare or \$1,336 to \$1,382 for retiree and spouse without Medicare.

State OGB Plan:

The contribution requirements of plan members and the Senate are established and may be amended by LRS 42:801-883. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. The OGB offers three standard plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Health Maintenance Organization (HMO) plan and the Medical Home HMO (MH-HMO). Retired employees who have Medicare Part A and Part B coverage also have access to five OGB Medicare Advantage plans. Depending upon the plan selected, during fiscal year 2011, employee premiums for a single member receiving benefits range from \$80 to \$84 per month for employee-only coverage with Medicare or from \$132 to 140 per month for employee-only coverage without Medicare. The premiums for an employee and spouse for the year ended June 30, 2011 range from \$145 to \$312 per month for those with Medicare or from \$428 to \$454 per month for those without Medicare.

The plan is currently financed on a pay as you go basis, with the Senate contributing anywhere from \$241 to \$253 per month for retiree-only coverage with Medicare or from \$853 to \$900 per month for retiree-only coverage without Medicare during fiscal year 2011. Also, the Senate, State of Louisiana contributions range from \$433 to \$936 per month for retiree and spouse with Medicare or \$1,311 to \$1,382 for retiree and spouse without Medicare during the year ended June 30, 2011.

SENATE
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

3. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

FUNDING POLICIES: (Continued)

State OGB Plan: (Continued)

OGB also provides eligible retirees Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life and Employee Accidental Death and Dismemberment coverage, which is underwritten by The Prudential Insurance Company of America. The total premium is approximately \$1 per thousand dollars of coverage of which the employer pays one half of the premium. Maximum coverage is capped at \$50,000 with a reduction formula of 25% at age 65 and 50% at age 70, with accidental death and dismemberment coverage ceasing at age 70 for retirees.

ANNUAL OPEB COST:

The Senate, State of Louisiana's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the fiscal year beginning July 1, 2010 was \$1,250,963.

The following table presents the Senate, State of Louisiana's OPEB Obligation for the year ended June 30, 2011. The table shows the components of each plan's annual OPEB cost for the year ended June 30, 2011, the amount actually contributed to the plan, and changes in the plan's net OPEB obligation to the retiree health plan:

	<u>Office of Group Benefits Plan</u>	<u>LSU System Health Plan</u>	<u>Total</u>
Annual required contribution (ARC)	\$ 611,200	\$ 639,763	\$ 1,250,963
Interest on net OPEB obligation	81,564	76,744	158,308
ARC adjustment	<u>(77,918)</u>	<u>(58,316)</u>	<u>(136,234)</u>
Annual OPEB Cost (expense)	614,846	658,191	1,273,037
Contributions made	<u>(263,697)</u>	<u>(178,801)</u>	<u>(442,498)</u>
Increase in Net OPEB Obligation	351,149	479,390	830,539
Beginning Net OPEB Obligation	<u>2,039,103</u>	<u>1,534,875</u>	<u>3,573,978</u>
Ending Net OPEB Obligation	<u>\$ 2,390,252</u>	<u>\$ 2,014,265</u>	<u>\$ 4,404,517</u>

SENATE
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

3. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

ANNUAL OPEB COST: (Continued)

The Senate's annual OPEB cost, the percentage of annual OPEB cost contributed to the plans, and the net obligation for the fiscal year ended June 30, 2011, and the two preceding fiscal years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
<u>OGB</u>			
June 30, 2011	\$ 614,846	42.89%	\$ 2,390,252
June 30, 2010	733,563	40.24%	2,039,103
June 30, 2009	999,216	30.28%	1,600,715
<u>LSU</u>			
June 30, 2011	\$ 658,191	27.17%	\$ 2,014,265
June 30, 2010	612,676	30.70%	1,534,875
June 30, 2009	740,585	23.53%	1,110,278

FUNDED STATUS AND FUNDING PROGRESS:

Act 910 of the 2008 Regular Session established the Postemployment Benefits Trust Fund effective July 1, 2008; however, neither the Senate, State of Louisiana, nor the State of Louisiana has ever made contributions to it. Since the plan has not been funded, the Senate, State of Louisiana's entire actuarial accrued liability of \$9,853,000 for the OGB Plan was unfunded. The LSU System Health Plan does not use a trust fund to administer the financing of the plan and the payment of benefits.

The funded status of the plans, as determined by actuaries as of July 1, 2010, was as follows:

	<u>Office of Group Benefits Plan</u>	<u>LSU System Health Plan</u>
Actuarial accrued liability (AAL)	\$ 9,853,000	\$ 5,130,442
Actuarial value of plan assets	--	--
Unfunded actuarial accrued liability (UAAL)	<u>\$ 9,853,000</u>	<u>\$ 5,130,442</u>
Funded ratio (actuarial value of plan assets/AAL)	0%	0%
Covered payroll (annual payroll of active employees covered by the plans)	\$ 2,004,087	\$ 8,797,745
UAAL as a percentage of covered payroll	491.65%	58.32%

SENATE
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

3. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS: (Continued)

ACTUARIAL METHODS AND ASSUMPTIONS:

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

A summary of the actuarial assumptions is presented below:

	<u>LSU System Health Plan</u>	<u>State OGB Plan</u>
Actuarial Valuation Date	July 1, 2010	July 1, 2010
Actuarial cost method	Projected Unit Credit	Projected Unit Credit
Amortization method	Level percentage of payroll	Level percentage of payroll
Amortization period	30 years	30 years
Asset valuation method	none	none
Actuarial assumptions:		
Investment rate of return	5% annual rate	4% annual rate
Projected salary increases	4% per annum	5% per annum
Healthcare inflation rate	11% initial 5% ultimate	8.5 – 9.6% initial 5% ultimate

SENATE
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

4. CASH IN BANK:

Under State law, the Senate, State of Louisiana, may deposit funds in an approved bank located in the State selected and designated by the presiding officer of the Senate. These public deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank.

At June 30, 2011, the carrying amounts of the Senate's cash accounts were \$5,880,796 in the operating account and \$8,598 in the restricted agency account. The bank balances were \$6,770,368 and \$8,598, respectively. All cash was covered by federal depository insurance or pledged securities held by the Federal Reserve Bank in the name of the Senate.

5. CAPITAL ASSETS:

The accompanying statements reflect furniture, fixtures and equipment used by the Senate and funded by the legislative appropriation, in daily operations. Those assets are recorded at cost. Furniture, fixtures and equipment with acquisition cost of \$5,000 or greater are capitalized and depreciated as follows:

	<u>Cost</u>	<u>Allowance for Depreciation</u>	<u>Net Value</u>
Balance, July 1, 2010	\$ 1,123,421	\$ (1,007,816)	\$ 115,605
Acquisitions	25,500	--	25,500
Dispositions	(285,108)	285,108	--
Depreciation	--	(41,172)	(41,172)
Balance, June 30, 2011	<u>\$ 863,813</u>	<u>\$ (763,880)</u>	<u>\$ 99,933</u>

The depreciable assets are depreciated using the straight-line method of allocating asset costs over the following useful lives.

Computer equipment	5 years
Office furniture and equipment	5 years
Vehicles	5 years

The cost of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized.

SENATE
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

6. LITIGATION, CLAIMS AND SIMILAR CONTINGENCIES:

Losses arising from litigation, claims and similar contingencies are considered state liabilities and are paid by special appropriations made by the Louisiana Legislature. Any applicable litigation, claims and similar contingencies are not recognized in the accompanying financial statements.

At June 30, 2011, the Senate, State of Louisiana was not involved in any lawsuits or threatened litigations.

7. PROFESSIONAL SERVICES:

Professional services include the following professional fees:

Black Caucus (clerical services)	\$ 67,600
Ceredian (employee benefits)	2,079
Linda Gipson (Bill Room Supervisor & Boards & Commissions Specialist)	<u>35,369</u>
TOTAL	<u>\$ 105,048</u>

8. DEFERRED COMPENSATION PLAN:

Certain employees of the Senate, State of Louisiana participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

9. INTERAGENCY TRANSFERS:

Amounts paid to other governmental units for the year ended June 30, 2011, consisted of payments to the House of Representatives for personnel expenses in the amount of \$10,000.

Amounts received from other governmental units for the year ended June 30, 2011, consist of the following:

	Capital <u>Outlay</u>	Operating <u>Services</u>	<u>Total</u>
Other agencies	\$ --	\$ 12,589	\$ 12,589
Legislative Budgetary Control Council	<u>37,252</u>	<u>168,608</u>	<u>205,860</u>
	<u>\$ 37,252</u>	<u>\$ 181,197</u>	<u>\$ 218,449</u>

SENATE
STATE OF LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

11. OTHER COSTS:

The State of Louisiana, through other appropriations, provides office space, utilities and janitorial services for the operations in the State Capitol, all of which are not included in the accompanying financial statements.

12. ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

13. RECONCILIATION:

The Statement of Net Assets and Statement of Activities present the Senate's fund balance/net assets from a fund perspective and an entity-wide perspective, using the current financial resources focus for the fund balance and the economic resources measurement focus for net assets. The amounts are reconciled as follows:

Fund balance, June 30, 2011	\$ 5,590,721
Capital assets	99,933
Compensated absences	(1,514,457)
Other postemployment benefits payable	<u>(4,404,517)</u>
Net assets, June 30, 2011	\$ <u>(228,320)</u>

REQUIRED SUPPLEMENTARY INFORMATION

SENATE
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Actual Amounts			Budgeted Amounts	
	GAAP Basis	GAAP to Budget Differences Over (Under)	Budgetary Basis	Original	Final
REVENUES:					
State appropriations	\$ 18,841,703	\$ -	\$ 18,841,703	\$ 18,841,703	\$ 18,841,703
Interest	2,447	-	2,447	-	-
Other	38,910	-	38,910	-	-
Reappropriated fund balance (1)	-	6,826,493 (1)	6,826,493	6,826,493	6,826,493
Total revenues	<u>18,883,060</u>	<u>6,826,493</u>	<u>25,709,553</u>	<u>25,668,196</u>	<u>25,668,196</u>
EXPENDITURES:					
Personnel services	16,071,722	629,290 (2)	16,701,012	16,425,416	16,425,416
Travel	314,707	-	314,707	411,145	411,145
Operating services	2,532,276	-	2,532,276	2,785,489	2,785,489
Supplies	92,363	-	92,363	158,127	158,127
Professional services	105,048	-	105,048	40,000	40,000
Telephone	170,223	-	170,223	113,944	113,944
Printing	63,734	-	63,734	88,834	88,834
Capital outlay	148,013	-	148,013	10,000	10,000
Total expenditures/expenses	<u>19,498,086</u>	<u>629,290</u>	<u>20,127,376</u>	<u>20,032,955</u>	<u>20,032,955</u>
Excess (deficiency) of revenues over expenditures	(615,026)	6,197,203	5,582,177	5,635,241	5,635,241
OTHER FINANCING SOURCES (USES):					
Interagency transfers in	218,449	-	218,449	-	-
Interagency transfers out	(10,000)	-	(10,000)	(50,000)	(50,000)
Total other financing sources (uses)	<u>208,449</u>	<u>-</u>	<u>208,449</u>	<u>(50,000)</u>	<u>(50,000)</u>
Net change in fund balance	(406,577)	6,197,203	5,790,626	5,585,241	5,585,241
Fund balances - beginning	5,997,298	829,195 (3)	6,826,493	6,117,172	6,117,172
Less reappropriated fund balance	-	(6,826,493) (1)	(6,826,493)	(6,826,493)	(6,826,493)
Fund balances - ending	\$ <u>5,590,721</u>	\$ <u>199,905</u>	\$ <u>5,790,626</u>	\$ <u>4,875,920</u>	\$ <u>4,875,920</u>

Explanation of differences:

- (1) Budgets include reappropriated fund balances carried over from prior years to cover expenditures of the current year. The results of operations on a GAAP basis do not recognize these amounts as revenue since they represent prior period's excess of revenues over expenditures.
- (2) Personnel services and related benefits are budgeted only to the extent expected to be paid, rather than on the modified accrual basis.
- (3) The amount reported as "fund balance" on the budgetary basis of accounting derives from the basis of accounting used in preparing the budget. (See Note 1 for a description of the Senate, State of Louisiana's budgetary accounting method.) This amount differs from the fund balance reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances because of the cumulative effect of transactions such as those described above.

SENATE
STATE OF LOUISIANA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFIT PLANS
FOR THE YEAR ENDED JUNE 30, 2011

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
Office of Group Benefits	7/1/2010	\$ -	\$ 9,853,000	\$ 9,853,000	0%	\$ 2,004,087	491.65%
LSU System Health Plan	7/1/2010	-	5,130,442	5,130,442	0%	8,797,745	58.32%
Office of Group Benefits	7/1/2009	\$ -	\$ 11,595,800	\$ 11,595,800	0%	\$ 1,967,794	589.28%
LSU System Health Plan	7/1/2009	-	4,642,612	4,642,612	0%	8,428,332	55.08%
Office of Group Benefits	7/1/2008	\$ -	\$ 14,858,600	\$ 14,858,600	0%	\$ 1,800,734	825.14%
LSU System Health Plan	7/1/2008	-	6,653,000	6,653,000	0%	7,641,649	87.06%

OTHER SUPPLEMENTARY INFORMATION

SENATE
STATE OF LOUISIANA
SUPPLEMENTARY INFORMATION
SCHEDULE OF SENATORS' PER DIEM AND OTHER COMPENSATION
FOR THE YEAR ENDED JUNE 30, 2011

Senator	Total	Regular Session Per Diem		Special Session Per Diem		Interim Session Per Diem		Travel Per Diem		Salary and Expense Allowance
		Days	Amount	Days	Amount	Days	Amount	Days	Amount	
ADLEY, ROBERT	\$ 38,816	60	\$ 9,120	25	\$ 3,800	13	\$ 1,983	7	\$ 1,113	\$ 22,800
ALARIO, JR., JOHN A.	40,647	60	9,120	25	3,800	32	4,927	-	-	22,800
AMEDEE, III, LEE JODY	37,240	60	9,120	25	3,800	10	1,520	-	-	22,800
APPEL III, CONRAD H.	36,632	60	9,120	25	3,800	6	912	-	-	22,800
BROOME, SHARON WESTON	49,605	60	9,120	25	3,800	9	1,382	31	4,803	30,500
CHABERT, NORBERT N.	37,544	60	9,120	25	3,800	8	1,216	4	608	22,800
CHAISSON, II, JOEL T.	54,755	60	9,120	25	3,800	23	3,531	2	304	38,000
CLAITOR, DANIEL A.	40,170	60	9,120	25	3,800	25	3,814	4	636	22,800
CROWE, ALMOND G.	36,936	60	9,120	25	3,800	4	608	4	608	22,800
DONAHUE, JR., JOHN L.	38,919	60	9,120	25	3,800	16	2,439	5	760	22,800
DORSEY, YVONNE D.	41,290	60	9,120	25	3,800	15	2,287	21	3,283	22,800
DUPLESSIS, ANN	380	-	-	-	-	-	-	-	-	380
ERDEY, DALE M.	38,318	60	9,120	25	3,800	17	2,598	-	-	22,800
GAUTREAUX, D. A.	42,693	60	9,120	25	3,800	19	2,895	26	4,078	22,800
GAUTREAUX, NICHOLAS	15,295	-	-	-	-	22	3,407	5	795	11,093
GUILLORY, ELBERT L.	36,791	60	9,120	25	3,800	7	1,071	-	-	22,800
HEBERT, TROY M.	9,830	-	-	-	-	5	774	-	-	9,056
HEITMEIER, DAVID R.	37,724	60	9,120	25	3,800	5	760	8	1,244	22,800
JACKSON, LYDIA	40,467	60	9,120	25	3,800	24	3,676	7	1,071	22,800
KOSTELKA, ROBERT	39,527	60	9,120	25	3,800	17	2,591	8	1,216	22,800
LAFLEUR, KENNETH ERIC	42,043	60	9,120	25	3,800	17	2,612	24	3,711	22,800
LONG, GERALD	40,357	60	9,120	25	3,800	17	2,605	13	2,032	22,800
MARIONNEAUX, JR., ROBERT	38,021	59	8,968	25	3,800	16	2,453	-	-	22,800
MARTINY, DANIEL R.	36,328	60	9,120	25	3,800	4	608	-	-	22,800
MCPHERSON, JOE	36,943	60	9,120	25	3,800	8	1,223	-	-	22,800
MICHOT, MICHAEL J.	68,604	60	9,120	25	3,800	27	4,125	5	760	50,799
MILLS, JR., FRED H.	22,572	60	9,120	25	3,800	1	152	-	-	9,500
MORRELL, JEAN-PAUL J.	40,806	60	9,120	25	3,800	26	4,022	7	1,064	22,800
MORRISH, DAN W.	43,722	60	9,120	25	3,800	50	7,698	2	304	22,800
MOUNT, WILLIE L.	37,869	60	9,120	25	3,800	14	2,149	-	-	22,800
MURRAY, EDWIN	46,680	60	9,120	25	3,800	45	6,910	26	4,050	22,800
NEVERS, BEN	38,311	60	9,120	25	3,800	9	1,375	8	1,216	22,800
PERRY, JONATHAN W.	19,906	60	9,120	25	3,800	-	-	-	-	6,986
PETERSON, KAREN CARTER	42,464	60	9,120	25	3,800	30	4,581	14	2,163	22,800
QUINN, JULIE	35,879	60	9,120	25	3,800	1	159	-	-	22,800
RISER, NEIL	37,717	60	9,120	25	3,800	8	1,237	5	760	22,800
SHAW, BERNACE L.	39,721	60	9,120	25	3,800	17	2,598	9	1,403	22,800
SMITH, JOHN R.	39,438	60	9,120	25	3,800	11	1,686	13	2,032	22,800
SMITH-CHEEK, SHERRI	37,399	60	9,120	25	3,800	11	1,679	-	-	22,800
THOMPSON, FRANCIS C.	41,138	60	9,120	25	3,800	17	2,605	18	2,813	22,800
WALSWORTH, MICHAEL A.	38,325	60	9,120	25	3,800	17	2,605	-	-	22,800
WILLARD-LEWIS, CYNTHIA	34,361	60	9,120	25	3,800	19	2,888	14	2,128	16,425
	<u>\$ 1,572,183</u>		<u>\$ 355,528</u>		<u>\$ 148,200</u>		<u>\$ 98,361</u>		<u>\$ 44,955</u>	<u>\$ 925,139</u>



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

October 25, 2011

Honorable Joel T. Chaisson, II
President of the Senate, State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying financial statements of the Senate, State of Louisiana, as of and for the year ended June 30, 2011, and have issued our report thereon dated October 25, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Senate, State of Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Senate, State of Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Senate, State of Louisiana's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Senate, State of Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Senate, State of Louisiana's management, the Louisiana Legislative Auditor and the Legislative Budgetary Control Council and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Hrapmann, Hogan & Maher, LLP

SENATE
STATE OF LOUISIANA
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of the Senate, State of Louisiana, for the year ended June 30, 2011 was unqualified.
2. Compliance and Other Matters
Noncompliance material to financial statements: none noted
3. Internal Control
Material weaknesses: none noted
Significant deficiencies: none noted

FINDINGS REQUIRED TO BE REPORTED UNDER GENERALLY ACCEPTED
GOVERNMENTAL AUDITING STANDARDS:

None

SUMMARY OF PRIOR YEAR FINDINGS:

None